



Report of the Bureau of Insurance

to

the Joint Standing Committee on Banking and Insurance

and

the Joint Standing Committee on Health and Human Services

on

**Efforts by Maine Health Insurance Carriers to
Implement Uniform Prescription Drug Information Cards**

January 15, 2003

John Elias Baldacci
Governor

Anne L. Head
Acting Commissioner

Alessandro A. Iuppa
Superintendent

Purpose of Report

As requested by the Joint Standing Committees on Health and Human Services and Banking and Insurance, the Bureau of Insurance (“the Bureau”) initiated an effort to determine the feasibility of requiring the use of standardized prescription drug information on health plan member identification cards and whether the interested parties could reach agreement to do so on a voluntary basis. This report details the process and outcomes of this effort.

Background

Resolve 2001, Chapter 56 (L.D 1816), enacted during the First Regular Session of the 120th Legislature, directed the Bureau to study the feasibility, costs and implications of establishing a standardized prescription drug information on health plan member identification card and to report its findings to the Joint Standing Committee on Health and Human Services by January 1, 2002. The Committee held a briefing on the report on March 14, 2002. Report findings included:

- While it is feasible for Maine to implement standardized benefit cards, it is important to note that such a requirement will only apply to Maine policyholders issued a health policy by domestic carriers. It will not extend to self-insured programs or to out-of-state visitors.
- Implementation of a standardized card would presumably decrease administrative time costs in pharmacies, but since this action would primarily affect only domestic insurers, it would not entirely address the problem. Supporters believed that any step to standardize could alleviate this problem and increase productivity. It is not clear whether such efforts would reduce pharmacy costs or health costs generally. Costs of printing and mailing new cards would be passed to policyholders by their insurance carriers.

On April 4, 2002, the Joint Standing Committees on Health and Human Services and on Banking and Insurance sent a letter to the Superintendent of Insurance (“the Superintendent”), requesting that the Bureau “convene the interested parties over the interim to discuss the inclusion of the [National Council for Prescription Drug Programs] NCPDP standard data elements on identification cards issued by Maine insurers.” The Committees also requested that, if consensus could not be reached and the Bureau determined “that the adoption of rules is necessary to achieve standardization...the Bureau develop proposed rules requiring that all insurance identification cards meet the NCPDP standards for prescription drug benefit cards.”

Process: Convening Interested Parties

The Bureau convened meetings of parties concerned with standardizing prescription drug information on health plan member identification cards on June 13, 2002, July 9, 2002, and July 26, 2002. Organizations represented included:

- Maine domiciled health insurance carriers (Aetna Health, Inc., Anthem Blue Cross and Blue Shield of Maine, CIGNA Healthcare of Maine, Inc., and Harvard Pilgrim Health Care, Inc.);
- Pharmacies (Hannaford Bros. Co., Rite Aid of Maine, Inc., Pharmacy Group of New England, and the National Association of Chain Drug Stores); and
- Other Interested Parties (Maine Association of Health Plans, Merck-Medco, and Representative Robert Nutting, sponsor of L.D. 1816 (Resolve 2001, c. 56).

At the conclusion of the series of meetings, the interested parties had voluntarily agreed to the following:

- The health carriers agreed to locate information needed to process claims on the front side of the member's identification card. The carriers will not be required to issue new cards with the standardized information immediately, but instead will be permitted to issue new cards as it becomes necessary to do so in the normal course of business.
- The pharmacy representatives agreed to accept the standardized cards with the information required to process the claim even though the card may not comply with every aspect of the NCPDP standard.

Participants tentatively agreed to sign a Memorandum of Understanding (MOU) regarding the above agreements, in order to avoid the need for legislation or rulemaking regarding the use of standardized drug cards.

Following the July 26th meeting, interested parties were invited to submit written comments until August 16, 2002. Comments were received from all four health insurance carriers that participated in the meetings and from three other interested parties: Hannaford Bros. Co., National Association of Chain Drug Stores, and Rite Aid of Maine, Inc. Copies of the written comments received were distributed to all interested parties and may be summarized as follows:

- The health insurance carriers confirmed that they would make specific changes to the drug cards, as agreed in the meeting. Three agreed to sign an MOU, one proposed to provide a non-binding letter outlining the specific changes it had agreed to make to its card during the three meetings as an alternative.
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- Two pharmacy representatives expressed support for the MOU. The third (NACDS) believed that rulemaking was necessary.

On October 2, 2002, the Bureau distributed a draft MOU to those who participated in the meeting held on July 26, 2002, and to those entities that submitted written comments concerning the agreement reached at that meeting. Recipients were asked to provide comments on the draft MOU, and to indicate whether they were willing to sign the MOU, by October 10, 2002.

Comments were received from the four health insurance carriers, the Pharmacy Group of New England, the National Association of Chain Drug Stores, and Rite Aid of Maine, Inc. All respondents expressed a willingness to sign the MOU except the National Association of Chain Drug Stores, which felt it would be inappropriate to sign as it is not a pharmacy provider in Maine.

Outcome

On November 20, 2002, the revised MOU (a sample copy of which is included as Attachment 1) was sent to all four health insurance carriers, the Pharmacy Group of New England, Hannaford Bros. Co., and Rite Aid of Maine, Inc. All seven parties have signed the MOU and the original will remain on file with the Bureau of Insurance.

In cases of non-compliance with the MOU, the Superintendent may levy administrative penalties in accordance with 24-A M.R.S.A. § 12-A.

Any insurance entity seeking licensure in the State of Maine that anticipates providing prescription drug benefits will be required to accept the terms of the MOU and will signify such by signing a copy.

Conclusion

Interested parties were able to reach consensus on a formalized method to ensure that standardized prescription claims-related data elements are included on health plan member identification cards. As a result of these meetings, the Superintendent believes that it is, in fact, feasible for carriers to have standardized information needed for the processing of pharmacy claims on the front of the health plan member identification card without the need for statutory change or new regulations.

Attachment:
Memorandum of Understanding

UNIFORM IDENTIFICATION CARD MEMORANDUM OF UNDERSTANDING

This document is a Memorandum of Understanding entered into by and among the Superintendent of the Maine Bureau of Insurance (hereafter "the Superintendent"); Aetna Health, Inc.; Anthem Health Plans of Maine, Inc.; Maine Partners Health Plan, Inc.; CIGNA HealthCare of Maine, Inc.; Harvard Pilgrim Health Care, Inc.; Pharmacy Group of New England; Rite Aid of Maine, Inc.; and Hannaford Bros. Co. Its purpose is to memorialize an agreement, without resort to statute or regulation, regarding standardized identification cards issued by the health carriers to their members for use in Maine pharmacies.

FACTS

1. The Superintendent of Insurance ("the Superintendent") is the official charged with administering and enforcing Maine's insurance laws and regulations.
 2. The following are Maine licensed health companies:
 - Aetna Health, Inc., Maine license number HMD45749 ("Aetna");
 - Anthem Health Plans of Maine, Inc., Maine license number LHD70566 ("Anthem BCBS");
 - Maine Partners Health Plan, Inc., Maine license number HMD51090 ("Maine Partners");
 - CIGNA Healthcare of Maine, Inc., Maine license number HMD4 ("CIGNA");
 - Harvard Pilgrim Health Care, Inc., Maine license number HMF39507 ("HPHC").
 3. The 120th Maine Legislature passed Resolve 2001, Chapter 56 (LD 1816), directing the Bureau of Insurance ("the Bureau") to undertake two studies and report on the results to the Joint Standing Committee on Health and Human Services by January 2, 2002. One of these studies addressed "the feasibility, costs and implications of establishing by rule a standardized pharmaceutical benefits identification card for issuance by health coverage providers." The Bureau reported its findings on January 2, 2002.
 4. After reviewing this report, the Joint Standing Committees of Health and Human Services and of Banking and Insurance issued a letter to the Superintendent (dated April 4, 2002), directing him to convene the interested parties prior to the start of the next Legislative Session to work together to resolve any existing or potential issues concerning the inclusion of standard data elements on identification cards issued by Maine insurers.
 5. Pursuant to the communication from the committees of jurisdiction, the Bureau convened three meetings of interested parties, on June 13, 2002, July 9, 2002, and July 26, 2002. Organizations represented included: Aetna, Anthem BCBS, Maine Partners, CIGNA, HPHC, Hannaford Bros. Co., Rite Aid of Maine, Inc., Pharmacy Group of New England, National Association of Chain Drug Stores, Maine Association of Health Plans, and Merck-Medco. The Honorable Robert Nutting, who introduced LD 1816, participated.
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6. By the close of the third meeting, the interested parties had voluntarily come to the agreement set forth more fully below.

PURPOSE AND AGREEMENTS

The purpose of this Memorandum of Understanding is to memorialize an agreement, without resort to statute or regulation, regarding standardizing prescription drug information on health plan member identification cards. This Memorandum is designed to assure that standardized identification cards will contain all the requisite information for processing valid claims in a timely and expeditious manner, thereby minimizing the need for pharmacies to spend additional time seeking to facilitate the acceptance of patient claims and payment thereof. The interested parties agree as follows:

1. Standardized pharmacy-specific information needed for the processing of claims shall be provided on the front of the health plan member identification card. Elements include: name of pharmacy benefits claim processor (if required by the health plan), pharmacy benefits processor control number (if required by the health plan), pharmacy benefits group number (if required by the health plan, and different from the medical coverage group number), and pharmacy benefits BIN number (if required by the health plan). Information common to multiple types of provider claims (such as patient name, patient identification number if the same is used for both medical and prescription drug coverage, and dependent information if required by the health plan) are not required to be grouped with the prescription drug coverage information, as long as the common information is on the front of the card.
2. As of January 1, 2003, new cards with the standardized information will be issued whenever it becomes necessary for the health carrier to issue new cards as the result of changes unrelated to the standardized information including systems changes. If in the future, the participating health carriers require supplemental information to process claims to pay for prescription drug purchases, such information will be added to the cards consistent with this Memorandum of Understanding.

Each health carrier is responsible only for changes to its own identification card. Specifically, the participating health carriers agree to the following:

1. Anthem BCBS agrees to list all the needed information on the front of the card. The information will be in two groupings: one for the needed information that is common to both medical and prescription drug coverage and a second for needed information specific to prescription drug coverage.
 2. Maine Partners agrees to list all the needed information on the front of the card. The information will be in two groupings: one for the needed information that is common to both medical and prescription drug coverage and a second for needed information
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specific to prescription drug coverage.

3. Aetna agrees to move the BIN number to the card front.
4. HPHC agrees to add the BIN number to the card.
5. CIGNA agrees to add BIN and PCN numbers to their cards beginning January of 2003.

The Pharmacy Group of New England, Rite Aid of Maine, Inc., and Hannaford Bros. Co., on behalf of themselves and their members, if any, agree to accept health plan member identification cards that provide all standardized information required to process the claim without the card complying with every aspect of the National Council for Prescription Drug Programs (NCPDP) standard proposed during the 120th Legislative Session.

This Memorandum of Understanding shall only be enforceable if signed and agreed to by all parties listed on the signature pages. Modification requires the written consent of the parties.

It is understood that any insurance entity seeking licensure in the State of Maine that anticipates the provision of prescription drug benefits will agree to the purpose and intent of this Memorandum of Understanding and will signify such by signing a copy. The copy with original signatures shall remain on file with the Bureau of Insurance.

The parties to this Memorandum of Understanding acknowledge that it is a public record within the meaning of 1 M.R.S.A. §402, and that it will be available for public inspection and copying as provided for by 1 M.R.S.A. §408.

CONSEQUENCES

In case of non-compliance with this memorandum of understanding, the Superintendent may levy administrative penalties in accordance with 24-A M.R.S.A. §12-A.

SIGNATURES

Dated: _____, 2002

MAINE BUREAU OF INSURANCE

Alessandro A. Iuppa, Superintendent of Insurance

Dated: _____, 2002

AETNA HEALTH, INC.

Printed name/title:

Dated: _____, 2002

ANTHEM HEALTH PLANS OF MAINE, INC.

Printed name/title:

Dated: _____, 2002

MAINE PARTNERS HEALTH PLAN, INC.

Printed name/title:

Dated: _____, 2002

CIGNA HEALTHCARE OF MAINE, INC.

Printed name/title:

Dated: _____, 2002

HARVARD PILGRIM HEALTH CARE INC.

Printed name/title:

Dated: _____, 2002

PHARMACY GROUP OF NEW ENGLAND

Printed name/title:

Dated: _____, 2002

RITE AID OF MAINE, INC.

Printed name/title:

Dated: _____, 2002

HANNAFORD BROS. CO.

Printed name/title:
